

**Remarks by Glenn L. McCullough, Jr., Director  
Tennessee Valley Authority  
to the Financial Analyst and Investor Meeting  
March 24, 2000 <sup>3</sup>/<sub>4</sub> New York, New York**

Thanks Craven. I sort of feel like the speaker who had to follow the sermon on the mount.

It is a special pleasure for me to have this opportunity to meet each of you here today and I hope to have the chance to get to know you better. In 1963 President Kennedy said, 'the work of TVA will never be over. There will always be new frontiers to conquer. For in the minds of people the world over the initials TVA stand for progress.' TVA and the people of the Valley have a rich history of progress. But it is our company's present performance in the frontier of future progress that brings us here today. These 127 days I have been with TVA have more tightly focused my attention as to the frontiers of technology, the challenges of competition and the uncertainty of restructuring.

TVA has built a strong foundation by implementing new technologies in power generation as well as business practices, and these have enabled our company to increase generation capacity, to lower cost, and to increase efficiencies and offer a competitive edge to our customers. Speaking of competitive edge, competition not only means that we have to be America's best performer in the industry but also we have to make our 80,000 square mile service area the preferred location for business and industry. Offering good jobs and a higher quality of life for the 8 million people that we serve. In performing our responsibility to generate prosperity, not only in the Valley, but also for our bond holders, TVA is uniquely positioned -- and I want to emphasize this -- TVA is uniquely positioned to lead the restructuring debate in a manner that will serve the common good of the nation.

I am pleased to join with Craven and Skila to strengthen our already good working relationships with you, with our other business partners, with the congress, and the stake holders throughout America and the world. Our company's performance in these strong working relationships are strategic to our future.

Thanks to the careful planning and effective teamwork, the foundation of our business is strong. We are now experiencing record levels of performance. You will hear a little bit more about that in detail in just a second. This is evidence of the caliber of effective executive leadership here today. Coupled with a dedicated and a skilled work force tending the business back home.

TVA's high performance, in my mind, is a result of our work environment. It emphasizes a process of continuous improvement. I believe this is fundamental to our future success. It is the way TVA does business. It is our culture that continuous improvement is the expectation. Enhanced efficiencies are the targeted outcome. This will enable TVA to generate the prosperity that we all desire. I, too, want to commend our financial management team here today, along with our operations team. I also want to express a special thanks to you for working with us to generate great value through innovative offerings in the bond market. It is an honor for me to serve on the TVA Board and I would tell you that I am encouraged by our present performance. But even more, I have high expectations for what we can accomplish as we move forward together. Thank you.